

Comments on Candidate Performance in Taxation (July 2017)

While most candidates did a good job of understanding the situations presented in the cases, certain candidates provided lengthy, unrelated discussions which added no value and may have contributed to insufficient or incomplete discussions in other areas of their response. For example, several candidates summarized their quantitative exhibits in detail as part of their written narrative even though this was not necessary. In addition, in some instances, candidates did not entirely focus on their role. For example, one case directed candidates to provide advice to their client who was the “seller” in a contemplated transaction. Unfortunately, certain candidates discussed tax considerations for the “purchaser” even though this analysis was not required.

While most candidates demonstrated their technical knowledge when addressing the required elements of the case some candidates appeared to struggle to with the technical knowledge to provide a complete and accurate response. Specifically, candidates struggled with fundamental concepts surrounding capital cost allowance and with respect to the mechanics of flowing income from a corporation to its shareholders.

Comments on Skills

Identification: While most candidates identified and/or attempted to address all of the required elements of the cases it appears that certain candidates would have benefited from spending additional time planning their responses to ensure all required elements of the cases were being sufficiently addressed and/or to ensure that they were not misinterpreting case facts.

Analysis: Candidates varied widely in their analysis of the issues. While most candidates provided a rich analysis of the issues, some candidates provided a very superficial analysis that would not be useful for the client. For example, despite being asked to identify the tax implications of the deemed disposition of various assets, certain candidates provided very limited responses as they addressed only one of many assets. Perhaps a lack of technical knowledge may have prevented candidates from providing complete responses to certain required elements.

Integration: The majority of candidates properly applied case facts in order to add depth to their response. However, certain candidates appear to have misinterpreted case facts which may have caused them to provide unnecessary discussions which were unrelated to the case.

Conclusion: Despite the cases specifically requesting a recommended course of action, many candidates failed to provide an overall conclusion or recommendation by integrating various components of their response.

Communication: Nearly all candidates adequately communicated within their response. Language used was appropriate and quantitative information was well presented.